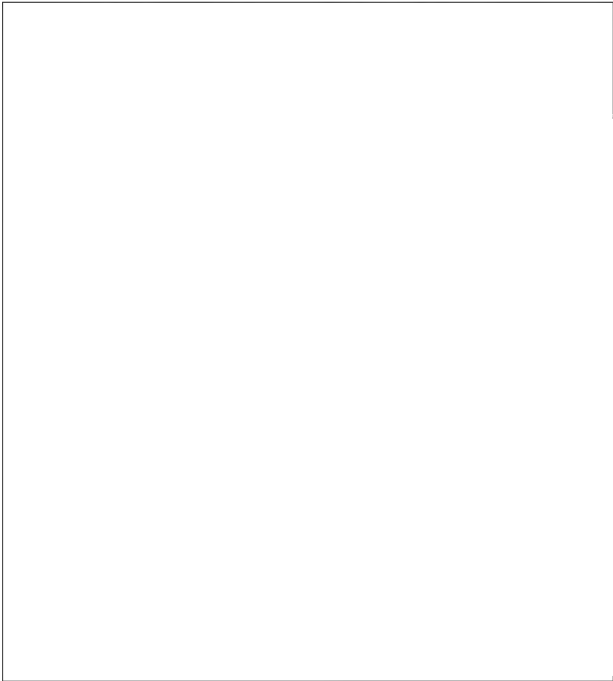


- - - - -



STAT

ARTICLE APPEARED
ON PAGE 23

U.S. NEWS & WORLD REPORT
17 June 1985

Soviet Espionage: "A Big Effort—and It Pays Off Big"

From America's intelligence chief comes an insider's assessment of KGB strategy in the U.S. against the background of the Walker family's alleged spy ring.

Q Mr. Casey, what does the Walker case—the arrest of three members of one American family and a fourth suspect for spying—say about Soviet espionage operations in this country?

A Well, it says that they have had a big success. It also confirms what we have known right along—that the Soviet KGB has a very large and well-organized program operating on a worldwide basis. They get a lot of intelligence.

We have had success in thwarting the KGB ranks, and over the last couple of years, they've had a lot of failures. But they have their successes, too—and this particular case seems to be a big success.

Q A big success?

A Yes, it went on a long time, and it seemed to be well organized. These folks who have been arrested seemed to have made a cottage industry out of spying.

Q How damaging was it to American interests?

A I'm afraid it's quite damaging. I can't fully assess it yet. But these people were in a position to acquire and put together a great deal of information which we very much want to keep away from the Soviets—information which they could find very useful.

Q What kind of information could the Soviets have gotten?

A Well, I haven't seen any damage assessment, and I'm just speculating. I think it's pretty clear that these people, in a communications role, were in a position to get a great deal of information about codes, which could open up a lot of things.

And they were probably in a position to learn a lot about placement and movements of our ships and perhaps allied vessels.

Q What do you think this says in terms of the American military's ability to guard against this sort of spying?

A Well, nobody ever said we were able to completely protect ourselves against this kind of activity. We do know the KGB has had a number of successes over the last 10 years—rather major ones, mostly gathering technical information about our weapons, our technology and our method of collecting intelligence.

This is a big, wide-open country, and the KGB has large numbers of people at work. I think the FBI works very effectively in getting a picture of what they're doing here, and CIA does worldwide. But they've got a big intelligence-gathering apparatus. Each operation is done clandestinely, and it's tough to get all of them.

Soviet system and are defecting and wanting to help us. But on our side it's mostly money that leads Americans to work for the KGB.

Q The Walker case is the latest in a considerable number of alleged spy cases in the U.S. over the past year or so. Does this reflect a major increase in Soviet spying activities in this country or just more success in apprehending Soviet agents?

A That's very hard to say. We don't know how many are out there.

I think we're probably getting better at counterespionage. We have put more resources into it. We've significantly increased the number of FBI agents watching and following them, so it's harder for them. If we put more people on it, we're going to catch more. At the same time, the Soviets are working harder, too. We've had better luck in catching them, particularly in the area of technological espionage.

Q How do you assess the Soviet effort in this area?

A Gaining access to our advanced technology continues to be, we think, their top priority. We know they have a very well-organized, far-flung effort to determine what it is they want, to target and find out where the work is being done, to send people out with names and addresses to go after the technology they seek. This is done on a worldwide basis.

They started some 15 years ago to recruit 100 people a year out of their technical and scientific schools, bring them into the KGB, train them to target, assess and go out and chase down secrets and steal them.

We've identified some 300 dummy firms worldwide that are small technology-smuggling shops. These entrepreneurs in technical piracy go out on the world market. They say they want to buy this and buy that, and people hustle to get it for them.

The Soviets operate a great big apparatus back there in Moscow that keeps track of who has what in the way of advanced technology and what weapons it goes into. We figure that about a

thousand people are working in this organization.

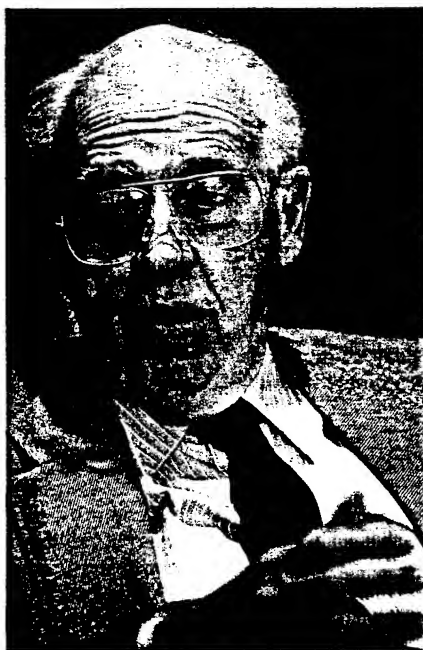
Q Exactly what do these people do?

A Some of them in the headquarters do the analytical and targeting work, and the others go out and operate in foreign capitals and around the world to get next to people who have this technology or who run these dummy firms.

They do this on a very organized, systematic basis. They have an annual report on the needs of the various government ministries—energy, aviation, heavy industries. These ministries determine what they want in the way of technology—production equipment, guidance, electronics, micro-electronics, computers, whatever. They put out a wish list, a directory every year of what they want.

Q Do the Soviets get advanced technology from the West

*Interview With
William Casey, Director,
Central Intelligence Agency*



DAVID J. PHILLIPS—AP/WIDEWORLD

Continued

mainly by espionage, or through commercial channels by circumventing restrictions?

A We think the KGB produces the largest proportion of it through espionage. But other Soviets get it also by attending scientific conferences and by combing through literature, our trade magazines and government files that are open to them.

Their spies try to buy and steal blueprints. About a year ago, the FBI grabbed somebody who had the drawings for our MX.

They get a lot of it through legitimate trade channels. Some of these dummy firms set up by the Soviets will buy things from here in the United States and ship them to some other country from which they can pass them on to the Soviet Union.

Q Can the West shut off this flow of technology, or is it inevitable, given the open nature of our societies?

A I think we do slow the flow by sensitizing people who have the information to the dangers of being targeted by the KGB and also by tightening up our controls over trade and by tightening up our surveillance of their espionage.

Four years ago we didn't realize the degree to which the precision, power and accuracy of their weapons depended upon our technology. We now understand that. And we are making progress in slowing down the flow of this technology. I don't suppose you can ever stop it altogether. But you can make it a lot harder for them to get.

Q How successful have they been in using U.S. technology to develop their weapons?

A Their space shuttle is pretty much modeled on ours. Their guidance system in their strategic nuclear missiles is pretty much a copy of what we have. We frequently know enough about their weapons so that we can identify it when they turn up with a feature we had for a couple of years. It's a big effort, and it pays off for them. It pays off big.

Q Can you put a money figure on how valuable this has been in terms of cutting down Soviet defense expenditures?

A Oh, it's certainly worth billions of dollars. It's hard to put it all together and quantify it. But it's not only what it saves them. I'd put a higher value on what it costs us when we discover that we have to develop a countermeasure to something they've acquired from us.

Q Mr. Casey, if we can turn to another critical issue: Is this administration shifting toward more-active CIA support for anti-Communist insurgents around the world?

A Well, we don't talk about that, although the subject gets talked about in the press and in the Congress. But it's

clear that there is an increase in the number of people around the world who are rising and wanting to resist Communist-imposed governments.

We've always had a policy of helping friendly countries protect and defend themselves. The President made it clear that he believes we should help people opposing oppressive governments.

Q How can you reconcile U.S. support, say, for *contras* in Nicaragua or for the Moslem rebels in Afghanistan with the administration's condemnation of what the Soviets and Cubans themselves are doing, for example, in El Salvador?

A If a nation supports rebels against a government, it takes the position that that government is not a valid government. The regime in Afghanistan was clearly imposed by force.

The government in Nicaragua is clearly oppressive and maintained by force, and it's supported from the outside. It's out to overthrow the government in El Salvador and in Honduras, and we think in Costa Rica and so on.

Cambodia is being occupied by 170,000 Vietnamese troops.

So these are not legitimate governments. You have to make that distinction. Every U.S. President since Franklin Roosevelt has authorized support of rebels opposing an oppressive or illegitimate government.

Q In practical terms, is this policy producing results?

A There have been significant successes in either delaying or frustrating and even avoiding the imposition of a totalitarian government.

Q In Nicaragua, do you think that the *contras* have a chance either to overthrow the Sandinista government or to force it to accommodate political opponents?

A The rebels have kept the Sandinistas from consolidating a totalitarian regime and establishing a base from which their neighbors could be threatened militarily. Now, whether that's going to succeed, how long that's going to prevent consolidation or whether it will change the government, we don't know. We know that a comparable insurgency in Angola has been going for 10 years and is an important force.

Q Isn't there a danger that U.S. support for an enterprise like this can get out of control?

A It doesn't have to. It can be turned off when circumstances require it. Nobody's plunking in their troops except the Soviets in Afghanistan and Vietnamese in Cambodia. That's quite different from providing supply, advice, that sort of thing.

Q If doing something about the Sandinista government is in this country's interest, doesn't it follow logically that U.S. military intervention in some form becomes a clear possibility if the *contras* are unable to do the job themselves?

A I would only refer you to what Secretary of State George Shultz said on that. He said that if we fail to induce the Sandinistas to reform by backing the rebels, we may face a question of whether we could have to do it militarily.

Look, if indeed what you have here is a second Cuba, this time on the American mainland, and we don't want to accept that permanent impairment of our security, the easiest way to do it is helping the people who want to resist it on the ground. If that fails and the Sandinistas consolidate, then it's a tough decision.

Q In the absence of any more American aid, are the *contras* going to evaporate, or can they hang on?

A It's amazing how people can continue to resist. They've held on very well. Congress terminated support effectively more than a year ago, and they're still there. They're as active as they've ever been. They've had problems—some things they had to learn to do for themselves,

Key Points Made by Casey

The Walker spy case. "A big success" for the Soviets; "quite damaging" to American interests.

Soviet espionage target. "Gaining access to our advanced technology" is the top priority.

Support for insurgents. "Every President since Franklin Roosevelt has authorized support of rebels opposing an oppressive government."

Impact of *contras*. They've "kept the Sandinistas from consolidating a totalitarian regime."

U.S. military intervention in Latin America. It would be a "tough decision" if the Sandinistas became entrenched in Nicaragua.

Retaliating against terrorists. "It's not inconceivable" that the U.S. would attack a government that promoted assaults against American targets.

Continued

but they've learned it. So you can't discount what these people can do.

Q When we go in with support for a group like the *contras*, don't we, in effect, assume a moral responsibility for their ultimate fate?

A Well, I think you do assume some responsibility. But, you know, life isn't easy. If you want to do things, you've got to assume responsibility.

Q What are the consequences of cutting them loose?

A Very bad for our reputation, for the willingness of other countries who rely on our commitments. It's very bad in terms of our reliability.

Q Does our action imply similar responsibility to Honduras, which provides an active base of support to the *contras*?

A That's a matter of geography. The consequences of letting it go are the impairment of our security, probably a diversion of our attention. We have to worry about our immediate back yard.

Experience tells us that when the Communists take over one of these countries, people leave the country by the millions. Large numbers of refugees will almost certainly come here if the perception is that Communists are going to take over Central America.

Q Turning to the administration's antiterrorism effort: How effective is the policy of trying to pre-empt or retaliate against anti-U.S. terrorists?

A Well, I think it's a mistake to focus only on taking retaliatory or pre-emptive action. There's more to it. If you're resisting international terrorism and trying to protect your installations and your citizens from terrorism, you've got to provide security and fortify your buildings. You need intelligence to provide knowledge of what the threat is and how the forces that practice terrorism function and what their style is. You then have to try to get intelligence about their intentions.

Q But top administration officials talk about taking pre-emptive action against terrorists. Where does that come in?

A If you get prior intelligence about an operation, then you have a chance to stop it. One way is by pre-emption, by taking their weapons away or arresting them or attacking them in some other way. That has to be done by local security forces. We can't run around doing this in other countries. But we can work with the security forces and support them. We can train them, and we can give them technical assistance and intelligence.

Q What about retaliation against terrorists who attack American targets?

A That's pretty tough going because, first, we can't do it directly unless it's grave enough to warrant military action. Of course, you have state terrorism, where governments engage in terrorism as an instrument of foreign policy, using their embassies and communications for that purpose. It's not inconceivable that we would attack a government if we were sure it had conducted an attack of this kind against Americans.

The Israelis do it all the time. It's clear that we're not afraid or unwilling to do it if the circumstances were right. But you've got to be very careful. There are a lot of things you've got to consider. You don't know how effective a retaliatory action is going to be. It's not something you do lightly.

Q You seem to minimize the utility of a pre-emptive U.S. strike or even a retaliatory strike—

A It depends upon the circumstances. I'm not going to say that it's not a feasible thing to do. You have to be very careful about it. There have been successful pre-emptions. They haven't taken the form of going out and killing the man who you think is going to make an attack. But they have taken the form of apprehending him, taking his weap-



Rebels in Nicaragua. "The easiest way" to prevent "permanent impairment of our security is helping the people who want to resist it."

ons away or establishing stronger security and defense so he is deterred from doing it.

Q There were published reports several weeks ago that the CIA trained a Lebanese antiterrorist squad, which then hired some people who went out and car-bombed a building in Beirut, resulting in 80 fatalities. What happened in that case?

A That's a complicated story. The CIA and other intelligence services have worked with local intelligence services for many years to help them do their job. We have helped train the Lebanese in how to deal with terrorism.

All Americans are at risk in Lebanon. We have lost better than 300 people there in terrorist attacks. We told the Lebanese it's up to them to protect our people and our installations, but we offered to help them. We've worked to strengthen their capabilities, train them, give them technical support. But they do any operations themselves. We were not involved, and no one we had trained was involved in the Lebanese car-bombing operation.

Q Did the attack lead to a change of policy, as was reported?

A Well, we didn't like the way that situation was handled. So we pulled back from any involvement in the planning or preparation of operations.

Q You mean no more collaboration with Lebanese intelligence in counterterrorism?

A We still share intelligence and still train them. But they had come and asked us to help plan pre-emptive action. Before the bombing, we were ready to consider helping them with planning that sort of action if they did it in a surgical, careful, well-targeted way—if they really knew what they were doing.

Q How could you participate in planning for something like that if it were likely that people were going to be killed? Isn't that illegal under U.S. law?

A I don't want to get into a legal discussion here. I don't think so. Let's say Congress voted funds to support the Afghan resistance, and we were asked to help and advise them. Would we be engaged in assassination every time an Afghan soldier killed a Soviet soldier?

That's not the intention. If the Lebanese discharge their duty to protect the lives and property of their citizens as well as other nationals, and if in the course of doing that someone gets killed, are we assassinating that guy? No. We're helping the Lebanese perform a security function.

If someone gets killed or hurt, well, it's a rough game. If you don't resist and take protective action against terrorists because you worry that there's going to be somebody who might say, "Ah, that's assassination," then terrorists can own the world, because nobody's going to do anything against them. □